

Submission to Ofcom:-

### **The Highlands and Islands Broadband Deficit**

Submission to Ofcom consultation on digital communications access and inclusion from Highlands and Islands Labour MSPs Peter Peacock, Rhoda Grant, David Stewart and Councillor Donald John MacSween, supported by listed residents of the Western Isles.

This submission relates to the development of broadband services principally to the Western Isles with much of the argument advanced applying also to many other parts of the wider Highlands and Islands.

The Western Isles faces major economic challenges.

Significant population decline has been a feature of many decades and securing a diverse range of employment opportunities a continuing challenge.

The Western Isles and many other parts of the West Highlands and other island groups need every economic advantage they can obtain if they are to retain and grow population, widen employment and prosper into the future.

Modern, fast digital communications is a vital part of that future.

At present there is a consistent gap between broadband access in these communities and that of many mainland communities.

All past experience of investment in new generations of technology would predict that, unless action is taken now, the gap between much mainland access to higher and higher speed and the Highlands and Islands capacity for broadband will widen.

Such an outcome would leave economic disadvantage and a continuing impediment to the ability to secure a prosperous future for the area.

The area is blessed with much which could give economic prosperity.

For example:- the depth of cultural identity; pride in language given expression through music, poetry, writing and drama, together with the development of the Gaelic digital TV channel, all open up new prospects for the development of creative industries.

These, combined with traditional industries, a rich environment, low crime rates, high educational standards, growing local access to higher education coalesce as reasons why people would wish to make their future in the area.

However, without access to the higher speed broadband technology that will become available elsewhere over coming years, the ability to function in a modern world, let alone take the opportunities that, for example, modern creative industries could offer, will all be compromised. With announcements about the roll out of superfast broadband a familiar scenario emerges.

The investment is driven by market factors and those factors will deliver major advances to many UK consumers.

Investment takes place first where unit costs tend to be lowest, in combination with the highest market potential and return for investment.

Cities and large towns will benefit first and there will be progressive roll out to surrounding areas.

Remote rural areas will benefit last. In the most remote areas it is probable that there is not a return to be had from the normal models of investment – the costs of infrastructure being at their highest where there are the lowest populations, market and return.

There is nothing new in this, it has been the pattern seen in all recent generations of technology investment.

As the consultation correctly states – “there are limits to what the market can deliver” and this is seen no more starkly than in the Highlands and Islands.

Just as in the past, government policy interventions will be required to secure services to remote populations to ensure there is no exclusion from services.

These interventions have not been trouble free and even they have not always secured what consumers want.

The services provided by ConCom and motivated by all the right reasons, have clearly fallen short of the expectations of many.

The satellite services now being installed by AVANTI are not available in the Western Isles and can be more expensive than other broadband services.

It is entirely predictable now that, toward the end of the new investment period in faster broadband, there will need to be further initiatives to address what will by then be the growing gap in services available to the Islands and wider Highlands when compared to other parts of the country.

So let's not wait, current policy developments should anticipate this and act now to secure earlier investment in the islands and wider Highlands.

That is the central proposition of this submission and Ofcom has a crucial role to play in this and to fulfil its duty to “further the interests of citizens and consumers in communication matters”.

The current debate about a Universal Service Commitment (USC) for broadband is very welcome, chimes with the EU objective for broadband coverage and offers opportunities.

We contend there are a minimum of 4 things that the developing policy around the USC needs to account for:

- An explicit recognition now that the market model to secure new services is least likely to deliver for the Islands and Highlands.
- The policy mechanism to address the issue needs developed now.
- The USC needs to secure nothing less than 100% coverage, whatever the delivery mechanisms.
- Ofcom needs to work with the UK and Scottish government's and their agencies, local government and with commercial providers to identify the likely investment gap that will need to be filled and commit to finding the mechanisms to deliver.

There is considerable policy experience in the Highlands and Islands at finding the policy mechanisms to fill technology gaps.

Possibilities are emerging from spectrum becoming available because of technology advances in other areas of activity.

There remains much to be done to address mobile coverage in the area if it is to be part of the answer.

Whatever the technological answers, the issue is principally one of public will and commitment to develop the strategy now to deliver and ensure that advantage is brought to an area of real economic challenge.

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